

## ADOT “Paved Way” for Other State Agencies with Internet Idea Survey

Although the Arizona Department of Transportation was not selected to participate in the Governor’s Efficiency Review project until early May — three months after the 3 pilot agencies — that didn’t stop the 5,000-employee agency from getting a head start on the ER process — a two-year head start.

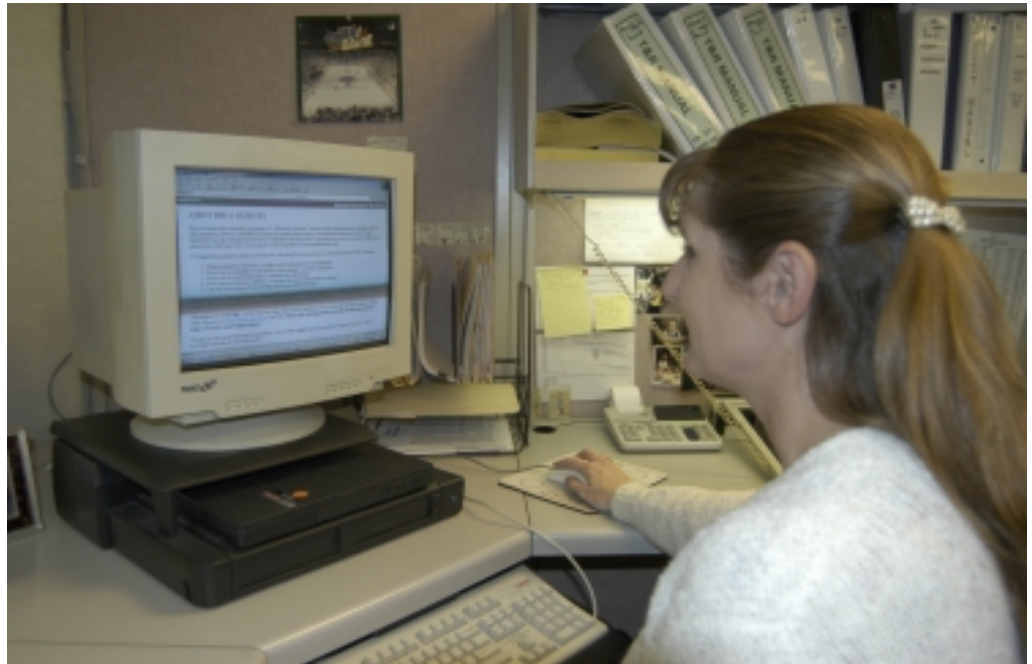
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*— Michael Spector,  
Chief Auditor, ADOT*

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To offset budget cuts of \$21 million the prior two fiscal years, ADOT began implementing aggressive cost-saving measures (in areas similar to ones designated in the Governor’s April 2003 Executive Order) starting in mid-2001. “ADOT is a very entrepreneurial place. We’re encouraged to think outside the box,” said Michael Spector, the agency’s Chief Auditor, as well as its ER Coordinator.



*An ADOT employee fills out a survey form, requesting ideas for saving money at the agency.*

For example, by enacting tighter restrictions on out-of-state travel and utilizing other options for in-state travel (teleconferencing; relocating meetings to avoid overnight stays), ADOT was able to save \$700,000 in travel expenses the previous two fiscal years. And ADOT saved an additional \$700,000 in FY '02 when it expanded the utilization of its heavy trucks by leasing them to other Arizona government entities.

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ADOT also generated a one-time savings of \$500,000 during FY '03 after an audit found overcharges by Qwest and AT&T for telecommunications services. Also in FY '03, the agency reported saving \$438,000 by going to an outside contractor to presort all of its mail, and saving

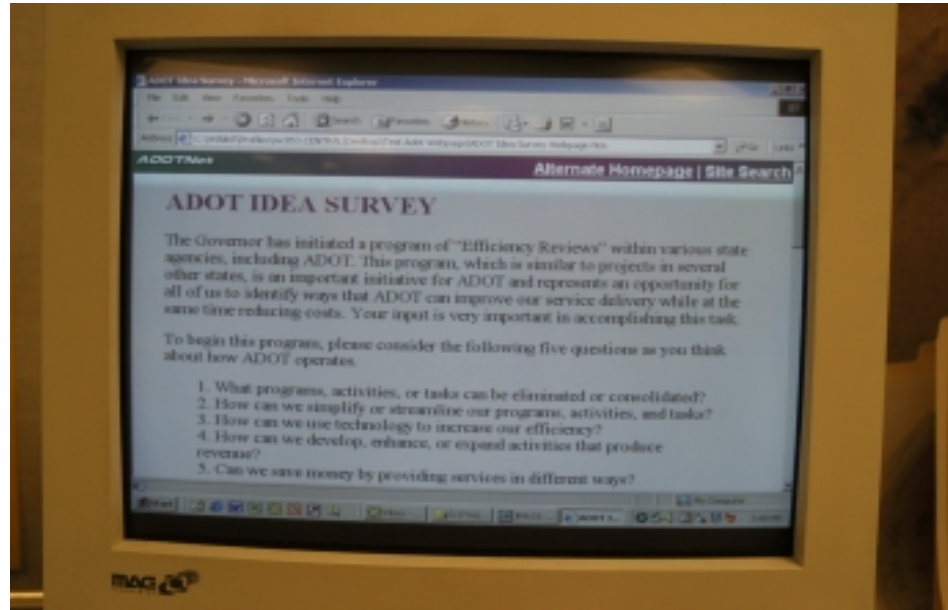
\$388,000 by printing motor vehicle forms and highway plan sets in-house instead of going to an outside vendor.

Energy was another area that ADOT achieved efficiencies the past two fiscal years. By raising the temperature of chiller tanks and installing energy-efficient lighting at its Capitol offices, ADOT reduced its overall energy costs by 7 percent over two years.

ADOT, however, didn't rest on its laurels when the Governor's ER team came a callin' this spring and asked agencies to look under every desk and wastebasket to find savings — and then find some more.

The state's transportation agency — with a \$1.6 billion budget that is mainly funded through a variety of commercial and personal motor vehicle taxes (not general fund dollars) — formed a steering committee to coordinate ER responses among its five divisions over an eight-week period.

One of ADOT's first priorities was designing an electronic form for employees to submit ideas over the agency's Intranet (see photo), which resulted in 433 suggestions. In addition, several brainstorming sessions held by each division throughout the state led to an additional 2,583 ideas.



*A closer view of the ADOT survey form, which brought in more than 400 suggestions. All told, the agency received more than 3,000 suggestions from employees.*

All told, ADOT received more than 3,000 suggestions from its employees. “The enthusiasm ER generated was the biggest thing,” Spector said. “ADOT employees believe ER will make government work.”

After eliminating for duplicate and overlapping ideas, ADOT compiled a list of 855 issues that were put on a tracking spreadsheet, which were then assigned to appropriate personnel for prioritization, analysis and eventually implementation/disposition. About 20 of these ideas have a statewide impact or affect other agencies and were passed on to the Governor’s ER team.

Eventually, ADOT prioritized a dozen projects that could be implemented during fiscal years ’04 and ’05 and bring an estimated savings of \$1.7 million. The ideas were grouped into the following categories: 1) Records, Paperwork, Policies and Procedures; 2) Printing, Postage, Mail, Forms; 3) Training; 4) Travel; and 5) Revenue Enhancement.

Two ideas that would produce the largest savings, totaling nearly \$750,000, involve digitally distributing project documents (internally and externally) through the Internet, e-mail or CDs. Currently, ADOT provides hard copies of its contracts and bid packages to potential bidders, as well as project documents that are reviewed within the agency.

Another suggestion, which has already been implemented, will make life easier on the agency and its customers, as well as save an estimated \$80,000. The Motor Vehicle Department (MVD) now waits 30 days before mailing out “Intent to Suspend” notices to drivers whose car insurance expires. The wait allows MVD to reconcile new data coming in from insurance companies and has decreased the number of mailed-out “Intent to Suspend” notices by 20,000 a month.

Finally, ER is not only about improving agency processes, but also improving communication and efficiencies between agencies. And ADOT expects by working in partnership with the Department of Revenue (DOR) that it can generate a one-time savings of at least \$500,000 by improving the process for providing data to DOR to collect vehicle use taxes. DOR is dependent on ADOT records to generate vehicle use tax bills.

“It’s the processes that need to be looked at and making state employees aware,” Spector said.

And now the public is aware of ADOT’s contributions to the state’s ER effort.

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